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CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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COUNTRY Germany (Soviet Zone)

SUBJECT Decline in Offerings of Agricultural Chemicals

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25X1X THIS IS UNEVALUATED INFORMATION

SOURCE [REDACTED]

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1. [REDACTED] of potash and [REDACTED] chemicals have been handled through the UK firm, Charles Page and Company, Ltd or a US chemical broker. In early 1953, I was notified that Paul Reinhardt of Winterthur, Switzerland, was the sole agent for these agricultural chemicals originating in Sov Zone Germany. [REDACTED] purchased 10 thousand tons of sulphate of ammonia, 21 per cent nitrogen, for December delivery at a price of US\$6 below the domestic offerings. At the time of this purchase [REDACTED] East German potash guaranteed at 59 - 60 per cent purity at [REDACTED] proposal.

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2. Between [REDACTED] June and mid-November, the situation on agricultural chemicals, especially potash and sulphate of ammonia, in Europe has changed considerably. [REDACTED] native of this alteration in the market has been the US government's offer to buy 140 thousand tons of sulphate of ammonia to be used in the rehabilitation of Korea, and only about one-half of the offer has been bid upon by European sources. [REDACTED] interests in Switzerland and a personal conversation with a US agricultural chemical broker who returned from Western Europe in late November lead me to believe that the East German chemicals are now and will be in the future in much shorter supply. It appears that East German potash and sulphate of ammonia are being shipped to the USSR and the satellite countries for farm production in accordance with the recently announced Soviet policy of increased food output. This appears to be the reason back of the tighter European market in agricultural chemicals but only time will permit a more careful analysis of the change in the East German offerings.

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